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TAGS: MILI, US, IS

SUBJECT: PRESS GUIDANCE ON SETTLEMENT OF USS LIBERTY DAMAGE CLAIM

1. (UNCLASSIFIED ENTIRE TEXT.)

2. FOLLOWING IS A PRESS STATEMENT AND GUIDANCE PREPARED BY DEPARTMENT FOR USE BY SPOKESMAN IN ANNOUNCING ON DECEMBER 18 SETTLEMENT BY GOI OF THE U.S. CLAIM FOR COMPENSATION FOR PHYSICAL DAMAGE TO USS LIBERTY. TEXT OF SPOKESMAN'S ACTUAL REMARKS WILL BE SENT IN DAILY REPORT ON NOON BRIEFING. POST MAY DRAW ON PREPARED GUIDANCE AND SPOKESMAN'S REMARKS AS APPROPRIATE. BEGIN TEXT:

-- THE UNITED STATES GOVERNMENT HAS ACCEPTED THE PROPOSAL BY THE GOVERNMENT OF ISRAEL TO PAY $6,000,000 (SIX MILLION DOLLARS) IN THREE ANNUAL INSTALLMENTS OF $2,000,000 EACH, BEGINNING ON JANUARY 15, 1981, AS FINAL SETTLEMENT OF THE U.S. CLAIM FOR COMPENSATION FOR DAMAGE TO THE USS LIBERTY AS A RESULT OF ACTIONS OF ISRAELI ARMED FORCES ON JUNE 8, 1967.

-- THE GOVERNMENT OF ISRAEL PAID IN FULL IN 1968 THE UNITED STATES CLAIM FOR [illegible],300 ON BEHALF OF THE FAMILIES OF THE SEAMEN WHO WERE KILLED IN THE INCIDENT, AND IN 1969 THE GOVERNMENT OF ISRAEL PAID IN FULL THE UNITED STATES CLAIM FOR $3,452,275, FOR INJURIES SUSTAINED BY MEMBERS OF THE LIBERTY'S CREW.

-- QUESTION: WHY HAS IT TAKEN SO LONG TO SETTLE THIS CLAIM? THE ATTACK ON THE LIBERTY TOOK PLACE OVER 13 YEARS AGO.

-- ANSWER: WE HAVE BEEN DISCUSSING THIS MATTER WITH THE GOVERNMENT OF ISRAEL FOR SOME YEARS. OUR FIRST PRIORITY WAS COMPENSATION FOR THE DEATHS AND INJURIES, WHICH AS I HAVE NOTED WAS PAID IN FULL BY THE GOVERNMENT OF ISRAEL WITHIN TWO YEARS AFTER THE INCIDENT. THERE WERE DIFFERENCES BETWEEN THE TWO GOVERNMENTS REGARDING THE EXTENT OF THE LIABILITY OF THE GOVERNMENT OF ISRAEL IN REGARD TO PHYSICAL DAMAGE TO THE LIBERTY.

-- QUESTION: WHAT WAS THE FIGURE FOR THE

ACTUAL DAMAGES TO THE VESSEL?

-- ANSWER: THE NAVY DEPARTMENT IN 1967 ESTIMATED THE DAMAGES TO THE LIBERTY AT 17.6 MILLION; THE SHIP WAS, HOWEVER, RETIRED FROM DUTY AND REPAIRS WERE NEVER MADE.

-- QUESTION: WHY DID THE UNITED STATES ACCEPT A FIGURE LOWER THAN THE NAVY'S 1967 ESTIMATE?

-- ANSWER: INTERNATIONAL SETTLEMENTS ARE FREQUENTLY CONCLUDED FOR SUMS BELOW THE AMOUNT OF THE ORIGINAL CLAIM. IN THIS INSTANCE THE GOVERNMENT OF ISRAEL PROPOSED SETTLEMENT FOR $6 MILLION DOLLARS AND THE UNITED STATES ACCEPTED. BOTH SIDES WANTED TO SETTLE THIS LONG-STANDING CLAIM.

-- QUESTION: WHAT ABOUT ALLEGATIONS, SUCH AS THOSE RECENTLY MADE IN THE BOOK BY JAMES ENNES, THAT THE ISRAELIS DELIBERATELY ATTACKED THE LIBERTY IN 1967?

-- ANSWER: SUCH ALLEGATIONS HAVE BEEN MADE MANY TIMES. THE DEPARTMENT HAS NO INFORMATION THAT WOULD CORROBORATE THESE ALLEGATIONS. WE NOTE THAT THE GOVERNMENT OF ISRAEL IMMEDIATELY ACCEPTED RESPONSIBILITY FOR THE INCIDENT IN 1967 AND SAID THAT IT WAS THE RESULT OF ERROR AND CONFUSION ON THE PART OF ITS ARMED FORCES DURING THE JUNE, 1967 ARAB-ISRAELI WAR.

-- QUESTION: DO YOU THINK THERE SHOULD BE A NEW INVESTIGATION OF THE ATTACK?

-- ANSWER: THE INCIDENT WAS THOROUGHLY INVESTIGATED IN 1967 BY THE U.S. NAVY. A COURT OF INQUIRY CONCLUDED THAT IT HAD INSUFFICIENT INFORMATION TO MAKE A JUDGEMENT ABOUT THE REASONS FOR THE ISRAELI ACTION. THE TRANSCRIPT OF THE COURT OF INQUIRY HAS BEEN AVAILABLE TO THE PUBLIC FOR SOME TIME.

-- QUESTION: DOES THIS AGREEMENT REQUIRE CONGRESSIONAL APPROVAL?

-- ANSWER: A CLAIMS SETTLEMENT DOES NOT NORMALLY REQUIRE THE APPROVAL OF CONGRESS. HOWEVER, UNDER THE CASE ACT SUCH AN AGREEMENT MUST BE REPORTED TO CONGRESS WITHIN 60 DAYS. THE DEPARTMENT WILL MAKE A REPORT SHORTLY. IN ADDITION, WE HAVE ALREADY CONTACTED APPROPRIATE CONGRESSIONAL COMMITTEES TO INFORM THEM ABOUT THIS SETTLEMENT. END TEXT.

MUSKIE

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